

**MEDICAL BOARD OF CALIFORNIA - DIVISION OF LICENSING
REGISTERED DISPENSING OPTICIANS - FEES
INITIAL STATEMENT OF REASONS**

Hearing Date: Friday, May 7, 2004

Subject Matter of Proposed Regulations: Registered Dispensing Opticians - Fees

Section(s) Affected: Amend Title 16, California Code of Regulations sections 1399.260, 1399.261, 1399.263.

Problem Addressed

Existing sections 2565, 2566, and 2566.1 set forth the fee amounts prescribed in connection with the registration of dispensing opticians, certificates for contact lens dispensers, and certificates for spectacle lens dispensers. The fees are fixed in statutes at a maximum of \$100.00 for registration and renewal fees collected and are deposited in the Dispensing Optician Fund which was created and continuously appropriated to carry out the provisions of this chapter.

The Medical Board of California, Division of Licensing, is to collect the fee established by law, unless the division sets a lower fee amount in regulation. The board's existing regulations specify that the registration and renewal fees for a registered dispensing optician, contact lens dispenser, and spectacle lens dispenser are currently set at \$75.00.

Factual Basis

The registered dispensing optician program is administered by the Medical Board of California, Division of Licensing. Registered dispensing opticians are businesses that apply to the board to become registered to fill prescriptions of licensed physicians and surgeons and optometrists for prescription spectacle lenses and frames and/or contact lenses to the public. Dispensing opticians' offices or facilities may be a part of a health maintenance organization, or may be operated independently.

However, to legally dispense spectacle lenses and frames or contact lenses to the public, the facility must apply to the Medical Board and pay the required fees. The fees collected are deposited in the Dispensing Opticians Fund of the board, which funds the administration of the program, including processing applications, and various staff functions. This program is to be self-supporting and not rely on the revenue collected for the licensing and renewal fees for physicians and surgeons, which could result in an increase in the fees for physicians.

For the past years, the registered dispensing opticians program has been operating with a surplus of revenue in the Dispensing Optician Fund. However, in projecting revenue for the next 3 years the costs to support the program each year will exceed what the current revenue brings to the program. Over the next 3 years this will decrease the surplus by such a substantial amount that by 2005/06 the surplus will be 0.6 months reserve. By increasing the fees to \$100.00 the

program will be self supporting and by 2005/06 the surplus will be 5.1 months of reserve. Failure to increase fees at this time will result in a more dire situation by 2005/06 that will require a steeper increase in fees to retain solvency. That, in turn, would necessitate a change in law to increase the ceiling beyond \$100.00, as well as adoptions of regulations. The program is allowed, by statute (Business and Professions Code section 128.5), to maintain a reserve equal to 24 months of its operating budget.

Therefore, to comply with Business and Professions Code section 2565, 2566, and 2566.1, the board is setting the registration and renewal fees at \$100.00 for initial registration fee and \$100.00 for renewal of registration fee.

Underlying Data

Analysis of Fund Condition

Business Impact

This regulation will have minimal impact on Business. The board is collecting the amount allowed by statute from businesses that are applying to the board to dispense spectacle lenses and frames and/or contact lenses to the public.

Specific Technologies or Equipment

This regulation does not mandate the use of specific technologies or equipment.

Consideration of Alternatives

No alternative which was considered would either be more effective than or equally as effective as and less burdensome to affected private persons than the proposed regulation.